

File



FIDELITY | EQUITABLE
MORTGAGE | TRUST
CANADIAN OWNED COMPANIES



FIDELITY
MORTGAGE
& SAVINGS
CORPORATION

THE
EQUITABLE
TRUST COMPANY

ANNUAL REPORT · 1975

HEAD OFFICE

Sixteenth Floor,
Fidelity-Equitable Trust Tower,
One James Street South, Hamilton, Canada

EXECUTIVE OFFICES

Second Floor,
Fidelity-Equitable Trust Tower
One James Street South, Hamilton, Canada

BRANCHES

HAMILTON:

Fidelity-Equitable Trust Tower, 2 King Street East	-	-	-	-	H. B. Fullerton, Manager
Undermount Bldg., 143 James Street South	-	-	-	-	Mrs. D. C. Dixon, Ass't. Manager

BURLINGTON:

502 Brant Street at Caroline	-	-	-	-	R. J. Rumble, Manager
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BRANTFORD:

28 Market Street at Dalhousie	-	-	-	-	O. Risebrough, Manager
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GUELPH:

54 St. George's Square	-	-	-	-	J. H. A. Myles, Manager
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TORONTO:

360 Bay Street	-	-	-	-	D. Jacobs, Loan Officer
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OFFICERS AND DIRECTORS

OFFICERS**

President	-	-	-	-	-	-	-	SAM FOSTER ROSS, Q.C.
Vice-President	-	-	-	-	-	-	-	WILLIAM VANALEN HOLTON
Assistant General Manager and Treasurer	-	-	-	-	-	-	-	WILLIAM ALAN MUIR, C.A.
Secretary	-	-	-	-	-	-	-	HUGH STRATHEARN HENDRIE
Mortgage Superintendent	-	-	-	-	-	-	-	FRED SMYTH PAUL
Superintendent, Savings and Branches	-	-	-	-	-	-	-	JAMES NEIL WALTON
Comptroller	-	-	-	-	-	-	-	ALAN JAMES SEAGO, C.A.
Trust Officer	-	-	-	-	-	-	-	WILLIAM BRUCE CAUNCE
Assistant Secretary	-	-	-	-	-	-	-	JAMES GRIBBEN MILLIGAN

DIRECTORS**

*FRANK WILTON BAILLIE	-	-	-	-	-	-	-	Oakville
President / Lawrence Motors (Davenport) Limited								
W. ALLAN CAMPBELL, Q.C.	-	-	-	-	-	-	-	Oakville
Partner / Hamilton, Torrance, Stinson, Campbell, Nobbs and Woods								
† J. ALAN CROOKSTON	-	-	-	-	-	-	-	Toronto
Chairman of the Board/Nesbitt, Thomson and Company Limited								
† DONALD EDWARD DUNN, C.A.	-	-	-	-	-	-	-	Montreal
Vice-President — Finance / Henry Birks & Sons Ltd.								
HUGH STRATHEARN HENDRIE	-	-	-	-	-	-	-	Burlington
Vice-President / Wenagara Corporation Limited								
†*WILLIAM VANALEN HOLTON	-	-	-	-	-	-	-	Burlington
Chairman/Glendale Spinning Mills Limited								
JAMES ROBERT ALEXANDER LANGS	-	-	-	-	-	-	-	Hamilton
President / Long Credon Holdings Limited								
WILLIAM ALAN MUIR, C.A.	-	-	-	-	-	-	-	Hamilton
Assistant General Manager and Treasurer								
STEWART PHILP	-	-	-	-	-	-	-	Hamilton
President / Philpco Investments Limited								
*MURRAY PROCTOR	-	-	-	-	-	-	-	Hamilton
President / Murray Proctor Industries Limited								
ANDREWS FOSTER ROSS	-	-	-	-	-	-	-	Hamilton
Vice-President and Secretary/Fidelity Management Limited								
†*SAM FOSTER ROSS, Q.C.	-	-	-	-	-	-	-	Dundas
Partner / Ross & McBride								
HENRY GEORGE THODE, C.C., Ph.D., F.R.S.	-	-	-	-	-	-	-	Lynden
Professor of Chemistry / McMaster University								
*ROBERT THOMSON	-	-	-	-	-	-	-	Montreal
Financial Consultant								
HENRY JAMES MICHAEL WATSON	-	-	-	-	-	-	-	Hamilton
Assistant Comptroller/The Steel Company of Canada Limited								

*Member of Executive Committee

†Member of Audit Committee

**The officers and directors of Fidelity Mortgage and Savings Corporation and The Equitable Trust Company are the same persons.

FINANCIAL HIGHLIGHTS

for the year ended December 31, 1975



	1975	1974
Assets Owned	\$85,679,957	\$79,186,141
Estates, Trusts and Agencies Under Administration	18,987,606	16,182,894
Total Assets	104,667,563	95,369,035
Cash and Securities	9,633,545	9,872,076
Mortgages	71,279,018	65,077,521
Deposits, Debentures and Guaranteed Investment Certificates	79,873,288	73,019,457
Operating Income	548,128	438,150
Gain on investments	20,341	—
Income Before Taxes	568,469	438,150
Income Before Taxes — Per Share	\$.81	\$.71
Provision for Income Taxes — Total	252,900	226,055
Provision for Income Taxes — Per Share	\$.36	\$.37
Net Income	314,905	211,665
Net Income — Per Share	\$.45	\$.34
Dividends	155,540	136,125
Dividends — Per Share	\$.22	\$.22
Shareholders Equity	4,170,565	3,842,565

FIDELITY MORTGAGE AND EQUITABLE TRUST WERE FEDERALLY INCORPORATED BY SPECIAL ACT OF THE PARLIAMENT OF CANADA AND BY LETTERS PATENT RESPECTIVELY, AND EACH IS LICENSED BY THE MINISTER OF FINANCE AND IS UNDER FEDERAL SUPERVISION.

BOTH FIDELITY MORTGAGE AND EQUITABLE TRUST ARE MEMBERS OF THE CANADA DEPOSIT INSURANCE CORPORATION.



It is with pleasure that we submit for your information and consideration our Annual Report for 1975, including the consolidated audited financial statements of Fidelity Mortgage and its Subsidiaries, Equitable Trust and Fidelity Real Estate Holdings.

Results of Operations and Net Income

During the year 1975, high interest rates continued but with some stability. We were not plagued with periodic fluctuations as in other years, which enabled us to better control our interest spreads. In the result, we were able to increase our earnings to a point which brought our rate of profit growth back into line with previous years. This is illustrated on page 8 of this report containing various charts, one of which shows the five year growth of our net profit.

After deducting all normal expenses and costs (including depreciation and amortization) our consolidated operating income for 1975 amounted to \$548,178 which compares with \$438,150 for 1974, an increase of approximately 28% for the year. From such operating income there has been deducted by way of provision for income taxes our actual income tax liabilities for the year amounting to \$211,500 and a provision for future income taxes of \$20,341 as well as a small deduction for minority interest in The Equitable Trust Company, resulting in a net income for the year of \$314,905, which compares with \$211,655 for 1974, an increase of 48% for the year.

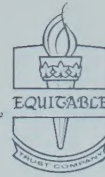
Asset Growth

Our assets as at 31st December 1975 (not including estates, trusts and agencies) amounted to approximately \$85.7 million, which represents an 8% increase for the year, a reduction in percentage growth for the year, caused by our need for additional capital, to which I refer later in this report. Total assets, including estates, trusts and agencies, showed a 10% increase to approximately \$104.7 million (31st December 1974 — \$95.4 million).

Proposed Increase of Capital and Proposed Preference Share Issue

You will be asked today to approve a by-law altering the capital structure of our Company by firstly, changing the designation of our shares of \$4 each to common shares, and secondly, increasing the Company's authorized capital by creating an additional 1,250,000 common shares, and establishing a class of preference shares by the creation of 100,000 cumulative, redeemable convertible preference shares of the par value of \$50 each, issuable in series.

The main purpose of this action is to provide flexibility in our authorized capital so as to enable our Company to better meet its continuing capital requirements over the years, which is the normal condition from time to time of companies in our industry.



In furtherance of this matter, we are carrying on discussions with our fiscal agents with a view to underwriting an issue of preference shares. The characteristics of such preference shares have not been settled but we expect that they will bear a cumulative dividend, will be redeemable and have a purchase fund, and will be convertible into common shares. The rate of dividend and the conversion price into common shares have yet to be settled and will be in line with comparable preference share issues. You will be kept fully informed as these matters progress.

Consideration is also being given to the enactment of a by-law which will permit the Directors to refuse to issue shares or record a transfer of shares to any person or group of persons if the effect would be to increase the shareholdings of such person or group of persons to more than a fixed percentage of the issued shares of the Company. The provisions of such by-law will apply to all shareholders including any shareholder or group of shareholders who, on the date of enactment of the by-law, owns in excess of the fixed percentage. Such shareholder or group would not be required to reduce their present holdings to the fixed percentage, but would be prohibited from increasing the present percentage of their holdings. Other companies in our industry have enacted similar by-laws.

Analyses of Investments and Debenture and Guaranteed Investment Certificate Maturities

As in previous years and in accordance with our established policy, our Annual Report again contains analyses of our investments and debenture and guaranteed investment certificate maturities prepared and reported upon by our auditors. These audited analyses are set forth in detail on pages 14 to 17 of this report.

Deposits, Debentures and Guaranteed Investment Certificates

Demand and short term deposits by the public increased during the year by approximately 3% to \$20.7 million and the amount of our outstanding debentures and guaranteed investment certificates increased by approximately 10% to \$57.7 million. Taken together, the increase in our borrowings by way of deposits, debentures and G.I.C.'s during the year was approximately 9.5% to \$79.9 million.

Mortgage Portfolio

Our mortgage portfolio showed a net increase for the year of approximately 9.5% and continues in excellent condition. In 1975, mortgage interest rates decreased for a few months at the beginning of the year, but thereafter rose steadily and levelled from the end of September to end of year. Thus far in 1976, there are indications of lower mortgage rates which hopefully will be accompanied by reductions in our borrowing rates. It is too early, however, to prognosticate with any certainty because of the unknown impact of the Anti-inflation laws and regulations which seem to be somewhat in conflict with the Bank of Canada policy, which apparently is to maintain the present high bank rate.



A five year comparative percentage breakdown of our mortgage portfolio with respect to class of security and aggregate loan amounts, number of loans, average size of loan and portfolio yield is as follows:

Class of Security	1971	1972	1973	1974	1975
Single family dwelling	63.2%	60.9%	62.4%	61.4%	59.0%
Multiple dwellings	28.3%	31.2%	27.8%	29.1%	29.1%
Commercial and Industrial	8.7%	8.5%	7.9%	9.8%	11.9%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Number of loans	1,548	1,776	2,119	2,190	2,149
Average size of loan	\$20,557	\$23,131	\$26,257	\$29,503	\$32,932
Portfolio yield	9.84%	9.72%	9.49%	9.81%	10.08%

Results of The Equitable Trust Company for 1975

We are pleased to report that the operations of The Equitable Trust Company for 1975 again provided an increased operating income before taxes (\$179,836 for 1975 compared to \$153,198 for 1974) and an increased net income after taxes and all other charges (\$89,837 for 1975 compared to \$72,858 for 1974). These results are included in our consolidated financial statements.

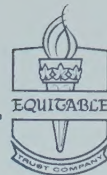
Plans are being made for an expansion of The Equitable's estate, trust and agency operations and we expect that such expanded operations will increase its contribution to the overall profits of The Equitable.

Fidelity Mortgage-Equitable Trust Tower

Leasing of space in this 15-storey office tower has not progressed as quickly as our original plans provided. Last year, in our report, we said that we were planning for a fully leased building by the end of 1975 but this target has not been met. Instead, the present leasing and occupancy position is at a 70% tenancy. This has resulted to a material extent from the economic situation over the past year. A strenuous effort will be made this year to attain full tenant occupancy of the building. The calibre of tenant in the office tower is first class in all respects, and this will be maintained over the years which will benefit our investment.

Fidelity Real Estate Holdings Limited

During 1975, several minor investments were made by this subsidiary, and subject to economic conditions, additional investments will be made during 1976. We are also pleased to report that this subsidiary for 1975 provided a small net income after taxes, which is included in our consolidated financial statements.



Outlook for 1976

In accordance with historic custom in the mortgage industry, interest rates have softened over the past month or two and this trend might well continue or level for the next few months, followed by a rise in rates during the final four or five months of the year. We feel, however, that the rise in rates will not be as marked as in other years. Indeed, we presently anticipate a softening of interest rates during the final six months of the year. We are guardedly hopeful that this year will provide more stability in interest rates throughout the year. If the Anti-inflation measures of the Government are successful, it is possible that interest rates in general will commence a downward trend during the final six months, which, in turn, might well bring a modicum of stability in interest rates at lower levels than they are now. Based upon the foregoing and with the expectation that our proposed underwriting of preference shares will proceed in a reasonably favourable market, we look forward to a satisfactory increase in our profits for the year.

Dividends

If the Anti-inflation Board permits, and provided we conclude that we are on the way to a satisfactory increase in profit for the year, your Directors will give careful consideration to increasing the dividends payable on our common shares for the year.

In conclusion, I again publicly acknowledge the tireless, faithful and capable assistance and effort so cheerfully contributed by all employees of the Company during the past year.

Yours faithfully,

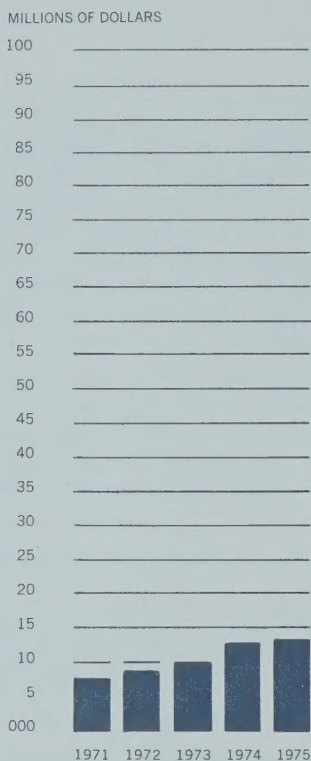
SAM FOSTER ROSS,
President.

On Behalf of the Board,
12 February 1976,
Hamilton, Canada.

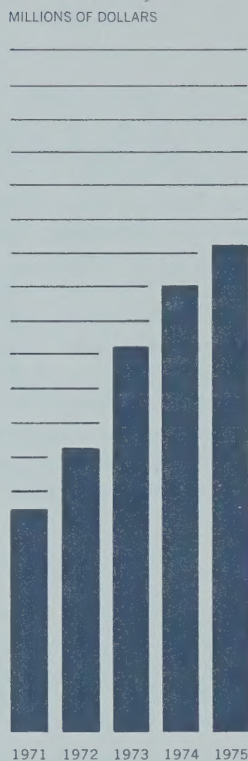


FIVE YEAR SUMMARY

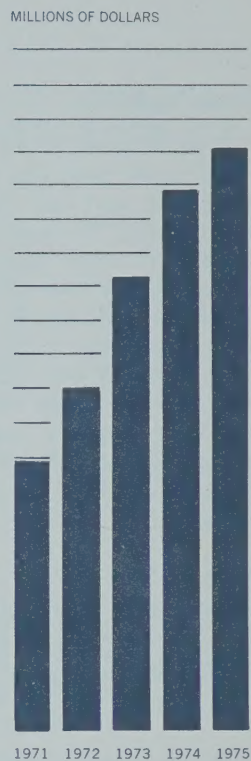
CASH, SECURITIES
& DEMAND LOANS



MORTGAGES



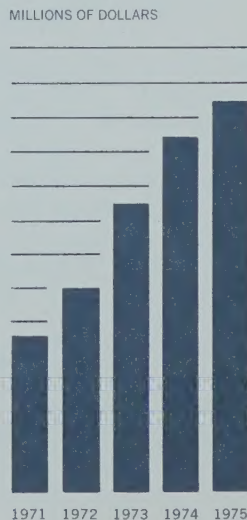
TOTAL ASSETS
OWNED



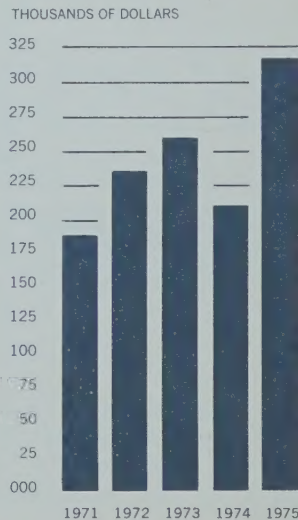
DEMAND DEPOSITS
AND DEPOSIT RECEIPTS



DEBENTURES AND
GUARANTEED INVESTMENT
CERTIFICATES

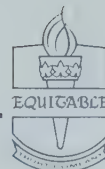


NET INCOME
AFTER TAXES



CONSOLIDATED STATEMENT OF INCOME

for the year ended December 31, 1975



INCOME:	1975	1974
Investments—Mortgages and other loans	\$ 6,952,533	\$ 6,178,505
—Securities	722,230	594,220
Fees and commissions	82,384	67,105
Other	119,156	101,080
	<u>7,876,303</u>	<u>6,940,910</u>
EXPENSE:		
Interest on deposits	5,958,002	5,357,324
Salaries and staff benefits	677,280	577,938
Depreciation and amortization	26,345	19,446
Other	666,548	548,052
	<u>7,328,175</u>	<u>6,502,760</u>
OPERATING INCOME BEFORE INCOME TAXES	<u>548,128</u>	<u>438,150</u>
PROVISION FOR INCOME TAXES:		
Current	211,500	162,855
Future	41,400	63,200
	<u>252,900</u>	<u>226,055</u>
NET OPERATING INCOME	<u>295,228</u>	<u>212,095</u>
Net Gain on Sale of Investments After Applicable Income Taxes	<u>20,341</u>	<u>—</u>
NET INCOME before minority interest	<u>315,569</u>	<u>212,095</u>
Minority interest in net income of subsidiary	<u>664</u>	<u>430</u>
NET INCOME FOR THE YEAR (Note 3)	<u>\$ 314,905</u>	<u>\$ 211,665</u>



CONSOLIDATED BALANCE

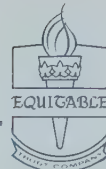
ASSETS

	1975	1974
Cash and demand deposits	\$ 4,773,302	\$ 4,798,702
Securities—at cost		
Bonds (Market: 1975—\$1,708,573; 1974—\$1,868,821)	1,911,736	2,039,628
Short-term notes	1,556,685	2,751,246
Stocks (Market: 1975—\$1,398,863; 1974—\$283,000)	1,391,822	282,500
	<u>4,860,243</u>	<u>5,073,374</u>
Loans		
Demand loans	3,155,212	2,474,148
Mortgages	71,279,018	65,077,521
	<u>74,434,230</u>	<u>67,551,669</u>
Investments in real estate — at cost	789,643	827,787
Other assets — at cost	618,900	840,886
Fixed assets—at cost, less accumulated depreciation and amortization	203,639	93,723
	<u>\$85,679,957</u>	<u>\$79,186,141</u>

We hereby certify that we have examined the consolidated statement of affairs of the Companies and that to the best of our knowledge and belief such consolidated statement is correct and shows truly and clearly the financial condition of the Companies' affairs.

S. F. ROSS
W. V. HOLTON
H. S. HENDRIE

President
Vice-President
Secretary } Directors



LIABILITIES

	1975	1974
Deposits		
Demand	\$18,132,771	\$13,918,052
Deposit receipts	4,015,739	6,775,420
Debentures and Guaranteed Investment Certificates	57,724,778	52,325,985
	<u>79,873,288</u>	<u>73,019,457</u>
Other liabilities		
Unadvanced portions of mortgages	725,742	1,287,114
Income taxes payable	55,238	54,875
Other	365,147	535,972
	<u>1,146,127</u>	<u>1,877,961</u>
Minority interest in net assets of consolidated subsidiary	9,446	7,027
Provision for future income taxes	480,531	439,131

SHAREHOLDERS' EQUITY

Capital stock (Note 2)		
Authorized—1,250,000 shares of \$4 each		
Issued and fully paid—707,143 shares		
(1974—677,014)	2,828,572	2,708,056
General reserve	1,200,000	1,000,000
Retained earnings	141,993	134,509
	<u>4,170,565</u>	<u>3,842,565</u>
	<u>\$85,679,957</u>	<u>\$79,186,141</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Fidelity Mortgage and Savings Corporation and its Subsidiaries as at December 31, 1975 and the consolidated statements of income, general reserve and retained earnings for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the consolidated financial position of the companies as at December 31, 1975 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hamilton, January 19, 1976.

COOPERS & LYBRAND,
Chartered Accountants



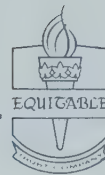
CONSOLIDATED STATEMENT OF GENERAL RESERVE AND RETAINED EARNINGS

for the year ended December 31, 1975

	1975	1974
GENERAL RESERVE:		
Balance—Beginning of year	\$ 1,000,000	\$ 800,000
Appropriation from retained earnings	151,881	83,472
Premium received on issue of shares of the corporation (net) (Note 2)	48,119	116,528
Balance—End of year	<u>\$ 1,200,000</u>	<u>\$ 1,000,000</u>
 RETAINED EARNINGS:		
Balance—Beginning of year	\$ 134,509	\$ 142,441
Net income for the year	314,905	211,665
	<u>449,414</u>	<u>354,106</u>
Deduct: Dividends	155,540	136,125
Appropriation to general reserve	151,881	83,472
	<u>307,421</u>	<u>219,597</u>
Balance—End of year	<u>\$ 141,993</u>	<u>\$ 134,509</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 1975



1. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

These consolidated financial statements include the accounts of the company and its subsidiaries, The Equitable Trust Company which is 99.4% owned and Fidelity Real Estate Holdings Limited which is wholly-owned.

Shares in Ontario Equities Limited held by Fidelity Real Estate Holdings are valued at cost until a substantial level of occupancy has been reached in their rental premises. At that time the investment will be accounted for on the equity basis.

Fixed Assets

Fixed assets are stated at cost. Depreciation is provided for furniture and fixtures on a straight line basis over a period of eight years. Leasehold improvements are amortized over the remaining terms of the leases.

Other Assets

The company incurs certain charges which benefit more than one period. These amounts are included in other assets and are written off over an appropriate number of periods.

Income Taxes

Income taxes charged to income represent both the portion currently payable and the portion which is deferred due to claiming depreciation and investment reserves for tax purposes in amounts which exceed the charges recorded in the accounts. The resultant deferrals of income tax are reflected on the balance sheet as provision for future taxes.

2. CAPITAL STOCK

During the year 30,129 shares were issued for \$180,774. Cash received for the shares issued has been allocated to capital stock in the amounts of four dollars (\$4) per share (\$120,516) and general reserve in the amount of two dollars (\$2) per share (\$60,258) less costs of issue (\$12,139).

EARNINGS PER SHARE	1975	1974
Net earnings per share	\$.45	\$.34

The earnings per share figures are calculated using the weighted daily average number of shares outstanding (1975—705,905; 1974—618,910).

4. GUARANTEED TRUST ACCOUNT

Included in total assets are assets held for the guaranteed trust account of \$14,219,023 (1974—\$11,163,874) securing the guaranteed trust liabilities of \$14,219,023 (1974—\$11,163,874).

5. REMUNERATION OF DIRECTORS AND OFFICERS

The aggregate direct remuneration paid or payable to the directors and officers during the year amounted to \$181,594 (1974—\$170,421).

6. LONG-TERM LEASE COMMITMENTS

Minimum annual commitments under leases of a duration of more than five years total \$136,398. These leases include a sale and leaseback agreement for fixed assets costing \$109,561 sold during the year.

7. COMPARATIVE FIGURES

Certain of the 1974 figures have been reclassified to conform with the 1975 financial statement presentation.



CONSOLIDATED ANALYSIS OF INVESTMENTS

as at December 31, 1975

CASH AND DEMAND DEPOSITS

Cash on hand and in the bank	\$ 1,041,148
Demand deposits with chartered banks	3,732,154
	<u>\$ 4,773,302</u>

SECURITIES

BONDS		Mature in	Par	Cost	Market
				(including amortized discount)	
Government of Canada	1977	\$ 775,000	\$ 777,159	\$ 777,159	\$ 777,750
	1979	250,000	247,543	247,543	235,000
	Beyond 1985	75,000	74,063	74,063	55,750
		<u>1,100,000</u>	<u>1,098,765</u>	<u>1,098,765</u>	<u>1,068,500</u>
Canadian Provinces	Beyond 1985	325,000	323,831	323,831	239,500
Canadian Municipalities	1976	31,000	30,971	30,971	30,933
	1979	5,000	4,907	4,907	4,394
	1981-1985	10,000	9,096	9,096	7,737
		<u>46,000</u>	<u>44,974</u>	<u>44,974</u>	<u>43,064</u>
Canadian Corporations	Beyond 1985	400,000	399,282	399,282	312,625
Accrued interest		<u>1,871,000</u>	<u>1,866,852</u>	<u>1,866,852</u>	<u>1,663,689</u>
		<u>44,884</u>	<u>44,884</u>	<u>44,884</u>	<u>44,884</u>
		<u>\$1,915,884</u>	<u>\$1,911,736</u>	<u>\$1,911,736</u>	<u>\$1,708,573</u>

SHORT-TERM NOTES

Short-term notes of Canadian Corporations and
Financial Institutions

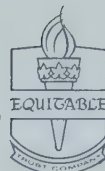
— Due January 15, 1976	\$ 51,373
— Due January 20, 1976	500,000
— Due January 26, 1976	482,535
— Due November 30, 1976	500,000
	<u>1,533,908</u>
Accrued interest	22,777
	<u>\$1,556,685</u>

STOCKS

— Preferred	\$ 886,519
— Common	505,303
	<u>\$1,391,822</u>

CONSOLIDATED ANALYSIS OF INVESTMENTS (continued)

as at December 31, 1975

**LOANS****DEMAND LOANS**

Secured Loans to Investment Dealers	\$ 300,000
Secured Loans and Advances to Customers*	2,832,038
	<u>3,132,038</u>
Accrued interest	23,174
	<u><u>\$3,155,212</u></u>

* As at December 31, 1975, there were no loans in default and all interest payments have been made as agreed upon.

MORTGAGES**PRINCIPAL BALANCE AND YIELD**

2,149 loans with an average yield of 10.08% (December 31, 1974—9.81%)	\$70,730,341
Accrued interest	548,677
	<u><u>\$71,279,018</u></u>

MATURITIES

	Amount	Percentage
1976	\$11,207,713	15.8
1977	10,360,462	14.6
1978	15,261,910	21.6
1979	17,022,508	24.1
1980	14,931,496	21.1
1981-1985	1,450,905	2.1
Beyond 1985	495,347	.7
	<u><u>\$70,730,341</u></u>	<u><u>100.0</u></u>



CONSOLIDATED ANALYSIS OF INVESTMENTS (continued)

as at December 31, 1975

CLASS OF SECURITY

	Number of loans	Amount	Percentage
Single Family Dwellings			
Under \$10,000	207	\$ 1,589,856	2.2
Between \$10,000 - \$20,000	743	11,667,302	16.5
Between \$20,000 - \$40,000	832	22,964,556	32.5
Over \$40,000	120	5,498,624	7.8
	<u>1,902</u>	<u>41,720,338</u>	<u>59.0</u>
Multiple Dwellings			
Under \$50,000	38	1,256,927	1.8
Between \$50,000 - \$100,000	37	2,630,152	3.7
Between \$100,000 - \$200,000	29	4,362,641	6.2
Over \$200,000	33	12,324,287	17.4
	<u>137</u>	<u>20,574,007</u>	<u>29.1</u>
Commercial and Industrial			
Under \$50,000	52	1,429,006	2.0
Between \$50,000 - \$100,000	37	2,516,971	3.6
Between \$100,000 - \$200,000	14	2,076,793	2.9
Over \$200,000	7	2,413,226	3.4
	<u>110</u>	<u>8,435,996</u>	<u>11.9</u>
	<u>2,149</u>	<u>\$70,730,341</u>	<u>100.0</u>

Average loan amount — \$32,932

GEOGRAPHICAL LOCATION

	Number of loans	Amount
Hamilton and area	780	\$21,148,739
Brantford and area	352	10,039,732
Burlington and area	272	8,115,332
Guelph and area	209	7,950,556
Niagara Peninsula and area	135	6,173,606
Brampton - Oakville and area	126	6,034,182
Toronto and area	186	7,743,065
Georgian Bay and area	22	671,972
Simcoe and area	29	818,896
Caledonia and area	37	1,794,261
London and area	1	240,000
	<u>2,149</u>	<u>\$70,730,341</u>

CONSOLIDATED ANALYSIS OF INVESTMENTS (continued)

as at December 31, 1975



UNADVANCED PORTIONS OF LOANS

The aggregate sum of \$725,742 remains to be advanced in respect of twenty loans.

OUTSTANDING LOAN COMMITMENTS

A total of nine loans having an aggregate principal amount of \$1,071,000 have been committed by the Companies on which no funds have been advanced.

ADMINISTRATION

Method of Payment:

Substantially all loans are repayable by combined monthly payments of principal, interest and taxes. The principal payments are based on fifteen to thirty year amortization plans, except for one loan which is amortized over thirty-five years.

Taxes:

As at January 21, 1976 all taxes due up to and including December 31, 1975 have been paid on all properties secured by the loans.

Delinquencies:

There are two mortgages under power of sale action.

As at January 21, 1976 all mortgage payments due up to and including December 31, 1975 have been received except for payments aggregating \$7,212 in respect of six mortgages, including the mortgages under power of sale action.

ANALYSIS OF DEBENTURE AND GUARANTEED INVESTMENT CERTIFICATE MATURITIES

	Amount	Percentage
1976	\$12,577,605	23.1
1977	10,281,604	18.9
1978	12,746,129	23.3
1979	9,836,652	18.0
1980	9,105,731	16.7
Beyond 1980	1,531	—
	<u>54,549,252</u>	<u>100.0</u>
Accrued interest	3,175,526	
	<u>\$57,724,778</u>	

AUDITORS' REPORT

In our opinion, the foregoing analyses of investments and debenture and guaranteed investment certificate maturities are properly drawn up so as to present fairly the state of the Companies' investments and debenture and guaranteed investment certificate maturities as at December 31, 1975.

Hamilton, January 26, 1976.

COOPERS & LYBRAND,
Chartered Accountants



SAVINGS ACCOUNTS

Interest is paid on savings accounts calculated on your minimum monthly balance and credited to your account each April 30th and October 31st. The Interest rate currently being paid may be ascertained by enquiry at any of the company's offices.

CHEQUING ACCOUNTS

Interest is paid on all chequing accounts having a minimum half-yearly balance of \$500. No service charges are applied on accounts maintaining such balances. Monthly statements along with cancelled cheques are available to customers requiring them.

CURRENT ACCOUNTS

Interest is paid on current accounts on the minimum half-yearly balance. Statements and cancelled cheques are available on the first business day of each month. Where adequate balances are maintained there is no charge for the issuance of cheques.

DEBENTURES AND GUARANTEED INVESTMENT CERTIFICATES

Interest paid at competitive rates (presently up to 10%) on terms from 1 to 5 years. Minimum amount \$500. Interest is paid half-yearly or may be compounded and paid at maturity. Debentures and G.I.C.'s may be cashed at par in the event of the death of the holder, at the option of his or her personal representative.

CONSUMER LOANS

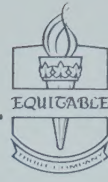
Consumer loans are now available for customers of Fidelity and The Equitable who wish to purchase automobiles, furniture, etc. on the instalment purchase plan. Interest rates on these loans are competitive with other financial institutions offering this facility.

TRUSTEE INVESTMENTS

Deposit Receipts, Debentures and G.I.C.'s are authorized Trustee investments. Trustees may open trust savings or trust chequing accounts with the Company for surplus funds.

SAFETY DEPOSIT BOXES

These are available to our customers at reasonable rates and may be used for the safekeeping of securities, valuable documents or personal articles.



FIRST MORTGAGE LOANS

First mortgage loans are readily available at current rates to assist in the purchase of your new home or for building, remodelling, refinancing or consolidation of outstanding debts.

REAL ESTATE APPRAISALS

Our qualified appraisal staff is available to appraise your property for all purposes.

REAL ESTATE SALES AND PURCHASES

The qualified staff of Fidelity Realty Limited is available to advise and assist in sales or purchases of residential properties and with respect to acquisitions and sales of commercial and realty investment properties.

PROPERTY MANAGEMENT

Our management staff is available to manage your revenue producing properties.

INVESTMENT MANAGEMENT ACCOUNTS

This is a service designed to assist in the care and management of your investments. With this service you will receive on a continuing basis the expert advice of our Investment Committee and this advice will be tailored to your needs and personal objectives.

INVESTMENT CUSTODIANSHIP ACCOUNTS

This service is designed for those who wish to actively supervise their own investment portfolios but who also wish to relieve themselves of the record keeping and other routines entailed in an investment portfolio.

TRUST SERVICES

- Estate planning
- Executor and Trustee under wills
- Administrator where there is no will
- Inter vivos trusts
- Registered Retirement Savings Plans
- Pension Funds administration
- Religious, Educational and Charitable Funds administration
- Registered Home Ownership Savings Plans
- Deferred Profit Sharing Plans

SUNDRY SERVICES

Fidelity and The Equitable offer the many other financial and trust services available elsewhere including save-by mail facilities, travellers cheques, foreign remittances, money orders, etc.

